
OLR Bill Analysis

sHB 6378

AN ACT CONCERNING CHANGES TO PROPERTY AND CASUALTY INSURANCE STATUTES.

SUMMARY:

This bill bars insurers that deliver, issue for delivery, renew, amend, or endorse homeowners insurance from refusing to issue or renew a policy on a residential dwelling more than 1,000 feet from the coast solely because it lacks windstorm mitigation items or systems such as storm shutters or impact-resistant glass. (The bill does not specify the baseline for calculating the distance.) The law already bars insurers from refusing to issue or renew a policy solely because the insured has not installed permanent storm shutters.

By law, when an insured hires a public adjuster they must enter into an employment contract. The bill increases, from three to five calendar days, the time the insured has to rescind the contract. Under current law, if the contract is signed on a Friday, Saturday, or Sunday, the insured has until midnight on the following Tuesday to cancel the contract; the bill extends this to midnight on Thursday. By law, the contract must have a provision specifying the insured's right to cancel. The bill requires that this provision be on the contract's first page in at least 12-point bold type (the font size of this analysis).

The law generally requires people who repair or remediate losses covered by a personal risk insurance or commercial risk policy to give the insured, before any work begins, written notice of the work to be completed and the estimated total price. For losses occurring on or after October 1, 2013 that are covered by a homeowners policy, the bill bars insurers from authorizing a direct payment to the person doing the work unless and until the insurer confirms with the insured that the notice was provided.

EFFECTIVE DATE: October 1, 2013

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 15 Nay 3 (03/14/2013)